

# Managing Equipment and Other Assets in Construction Firms for Optimized Lifecycle

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Large construction firms are all alike in at least one respect: they've all made substantial investments in machinery, equipment and other assets. But construction firms differ quite a bit when it comes to optimizing their investment in equipment and the difference can mean success or failure as an enterprise. Simply put, construction firms and infrastructure management services that get the most out of their investment in equipment are likely to be more profitable and more successful.

Since tracking, scheduling, maintaining, and repairing equipment is complicated, it is an area for optimizing with software; this class of software is known as asset management software. When good asset management software is applied skillfully, construction firms come out ahead on equipment costs, and may even find ways to turn an existing equipment investment into a new profit center. This is especially true for firms that are already using (or are considering) construction contract management software or capital project management software (CPMS) since the data gathering and report generating requirements of CPMS and asset management software overlap quite a bit. This is especially true where there is ongoing use of field inspection software.

Asset management software (also called 'facilities management software') is necessarily sophisti-

cated and can be hard to evaluate. Here are some of the benefits firms should look for when considering an investment in this technology:

- **Extends Equipment Lifecycle:** The most obvious advantage of asset management software is the way it automatically schedules maintenance so that equipment lasts longer. But some solutions do this better than others. For example, scheduling maintenance based simply on the age of the equipment is far less effective than scheduling maintenance based on duty cycles. That is, maintenance should be based on some measure of actual use, such as mileage (for vehicles) or hours of operation. This avoids unnecessary maintenance of lightly-used equipment while properly maintaining heavily used equipment.

Scheduled maintenance should also be predictive and automated. That is, those who schedule equipment maintenance should receive notice of needed maintenance well ahead of time, based on usage trends, and this information should be generated automatically so that schedulers don't have to tabulate individual reports. Other things to look for in good solutions include the ability to manage parts inventories, to compare actual maintenance costs to predicted costs, to track depreciation, and to digitally store maintenance manuals, warranties, and other important documentation so that it is readily available and as

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sociated with individual pieces of equipment.

When all these tasks are handled effectively, equipment lasts longer, has less down-time, and costs less to maintain.

- **Optimizes Use of Equipment:** Especially in multi-office firms, simply keeping track of equipment on an enterprise-wide scale yields important benefits. For example, consider a seven-office construction firm that owns seven robotic total stations for construction stakeout: because construction work is seasonal and variable, it's possible that some offices are heavy users of the stations and end up renting or subcontracting as needed. Meanwhile, other offices may have idle equipment. If usage and availability is tracked automatically, idle equipment can be transferred between offices as needed and firms can avoid 'double-paying' to rent equipment that is available in-house.

In some cases, tracking equipment brings to light opportunities to lease unused equipment to other firms. In fact, some contractors have established separate departments or subsidiary agencies that treat the equipment pool as a profit center while insuring that assets are always available when needed internally.

- **Leverages Investment in Enterprise Software:** For the reasons listed above, and to track the financial performance of an equipment investment, it's important that the data and reports generated by asset management software be easy to integrate into other enterprise software, such as CPMS or contract management software. For example, depreciation should be easy to calculate and export to financial packages.

This way, there is more data to work with and these solutions can analyze past performance more accurately and make more useful future projections. Therefore, the data generated by asset management software should be easy to export into other programs. Optimally, your equipment management software should be part of a comprehensive solution that tracks all aspects of your business.

Despite the enormous investment usually made in equipment, plants, machinery, and other assets, many firms fail to take advantage of software solutions that leverage the value of these investments. For the reasons discussed above, this is a mistake. To fully optimize the lifecycle of tangible assets, automated solutions are mandatory. At Aurigo, we've built our capital project management software, from the ground up with the above requirements in mind. We believe it's the best available.

To complement Aurigo CPMS, we've partnered with Hofinsoft to integrate their asset management software CPMS solution so that we can offer a world-class integrated platform for construction firms. We're confident that the combination is unbeatable, and we'd be happy to prove it to you—call us today for your free demonstration.